

Financial Report

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 2002

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Terrebonne Parish Recreation District No. 9

December 31, 2002

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, Louisiana.

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 9 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Terrebonne Parish Recreation District No. 9 as of December 31, 2002, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 b) to the basic financial statements, the District has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments, as of January 1, 2002.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated April 10, 2003 on our consideration of Terrebonne Parish Recreation District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 10, 2003.

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**Terrebonne Parish Recreation District No. 9**

December 31, 2002

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 47,770	\$ -	\$ 47,770
Receivables - taxes	53,230	-	53,230
Due from other governmental units	208,554	-	208,554
* Prepaid insurance	-	15,531	15,531
* Capital assets:			
Non-depreciable	-	71,500	71,500
Depreciable, net of accumulated depreciation	-	571,636	571,636
Total assets	<u>\$ 309,554</u>	<u>658,667</u>	<u>968,221</u>
Liabilities			
Accounts payables and accrued expenditures	\$ 23,906	-	23,906
Due to Terrebonne Parish Consolidated Government	1,510	-	1,510
Deferred revenue	261,445	-	261,445
* Long-term liabilities:			
Due within one year	-	8,485	8,485
Due after one year	-	736	736
Total liabilities	<u>286,861</u>	<u>9,221</u>	<u>296,082</u>
Fund Balances/Net Assets			
Fund balance - unreserved	<u>22,693</u>	<u>(22,693)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 309,554</u>		
Net assets:			
Invested in capital assets, net of related debt		633,915	633,915
Unrestricted		<u>38,224</u>	<u>38,224</u>
Total net assets		<u>\$ 672,139</u>	<u>\$ 672,139</u>

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Terrebonne Parish Recreation District No. 9

December 31, 2002

Fund Balances - Governmental Fund \$ 22,693

Amounts reported for governmental activities in
the statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

Governmental capital assets	\$ 1,348,186	
Less accumulated depreciation	<u>(705,050)</u>	643,136

Other assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental funds.

Prepaid insurance		15,531
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Long-term liabilities, including bonds payable, are
not due and payable in the current period and,
therefore, are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Capital lease payable		<u>(9,221)</u>
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Net Assets of Governmental Activities		<u>\$ 672,139</u>
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See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 2002

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Taxes	\$ 234,670	\$ -	\$ 234,670
Intergovernmental:			
State of Louisiana:			
State revenue sharing	16,207	-	16,207
Rural development grant	20,326	-	20,326
Charges for services	62,474	-	62,474
Miscellaneous:			
Interest	1,590	-	1,590
Other	50	36,000	36,050
Total revenues	<u>335,317</u>	<u>36,000</u>	<u>371,317</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	1,298		1,298
Ad valorem tax deductions	10,472		10,472
Total general government	<u>11,770</u>		<u>11,770</u>
Culture and recreation:			
Personal services	101,030	-	101,030
Supplies and materials	20,790	-	20,790
Other services and charges	81,589	(1,266)	80,323
Repairs and maintenance	54,901	-	54,901
Depreciation	-	49,990	49,990
Total culture and recreation	<u>258,310</u>	<u>48,724</u>	<u>307,034</u>
Debt service:			
Principal retirement	8,043	(8,043)	-
Interest and fiscal charges	815	-	815
Total debt service	<u>8,858</u>	<u>(8,043)</u>	<u>815</u>
Capital outlay	<u>62,445</u>	<u>(62,445)</u>	<u>-</u>
Total expenditures/expenses	<u>341,383</u>	<u>(21,764)</u>	<u>319,619</u>
Deficiency of Revenues Over Expenditures	(6,066)	6,066	-
Other Financing Source			
Equipment capital lease	<u>16,564</u>	<u>(16,564)</u>	<u>-</u>
Excess of Revenues and Other Financing Source Over Expenditures	10,498	(10,498)	-
Change in Net Assets	-	51,698	51,698
Fund Balances/Net Assets			
Beginning of year	<u>12,195</u>	<u>608,246</u>	<u>620,441</u>
End of year	<u>\$ 22,693</u>	<u>\$ 649,446</u>	<u>\$ 672,139</u>

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 2002

Net Change in Fund Balances - Governmental Fund **\$ 10,498**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 62,445	
Depreciation expense	<u>(49,990)</u>	
Excess of capital outlay over depreciation expense		12,455

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, is to increase net assets	36,000
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Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the equipment capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets	(16,564)
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Repayment of capital principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal payments	8,043

Some expenditures reported in the governmental funds require the use of current financial resources and are not reported as expenses in the statement of activities.	
Prepaid insurance	<u>1,266</u>

Change in Net Assets of Governmental Activities	<u>\$ 51,698</u>
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See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 175,000	\$ 246,000	\$ 234,670	\$ (11,330)
Intergovernmental:				
State of Louisiana:				
State revenue sharing	20,000	20,000	16,207	(3,793)
Rural development grant	-	20,000	20,326	326
Charges for services	41,750	56,500	62,474	5,974
Miscellaneous:				
Interest	1,100	350	1,590	1,240
Other	-	50	50	-
Total revenues	237,850	342,900	335,317	(7,583)
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	1,000	-	1,298	(1,298)
Ad valorem tax deductions	1,000	32,000	10,472	21,528
Total general government	2,000	32,000	11,770	20,230
Culture and recreation:				
Personal services	79,500	94,800	101,030	(6,230)
Supplies and materials	10,300	19,850	20,790	(940)
Other services and charges	69,100	68,150	81,589	(13,439)
Repairs and maintenance	47,325	53,000	54,901	(1,901)
Total culture and recreation	206,225	235,800	258,310	(22,510)
Debt service:				
Principal retirement	8,100	8,100	8,043	57
Interest and fiscal charges	900	900	815	85
Total debt service	9,000	9,000	8,858	142
Capital outlay	31,850	51,500	62,445	(10,945)
Total expenditures	249,075	328,300	341,383	(13,083)
Excess (Deficiency) of Revenues Over Expenditures	(11,225)	14,600	(6,066)	(20,666)
Other Financing Source				
Capital Lease	-	-	16,564	(16,564)
Excess (Deficiency) of Revenues and Other Financing Source Over Expenditures	(11,225)	14,600	10,498	(4,102)
Fund Balance				
Beginning of year	12,195	12,195	12,195	-
End of year	\$ 970	\$ 26,795	\$ 22,693	\$ (4,102)

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 9**

December 31, 2002

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 9 (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2002.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Change in Accounting

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the District’s activities. The District has not presented Management’s Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. However, other changes are reflected in the accompanying basic financial statements (including notes to financial statements). The District has elected to implement the general provisions of Statement No. 34 in the current year.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Change in Accounting (Continued)

For the year ended December 31, 2002, the District also implemented the following GASB Standards:

- Statement 37 – Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus
- Statement 38 – Certain Financial Statement Disclosures
- Interpretation No. 6 – Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements

The transition from governmental fund balance to net assets for December 31, 2001, is presented below:

Total fund balance, as previously reported	\$ 12,195
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Capital assets used in governmental activities are not financial resources and, therefore were not previously reported.

Governmental capital assets	\$1,249,741	
Less accumulated depreciation	<u>(655,060)</u>	594,681

Other assets used in governmental activities are not financial resources and, therefore were not previously reported.

Prepaid insurance	14,265
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore were not previously reported.

Capital lease payable	<u>(700)</u>
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Net assets	<u>\$ 620,441</u>
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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements (individual major funds).

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. As of general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on the major funds in governmental categories. The daily accounts and operations of the District continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related, state revenue sharing (Intergovernmental revenue) are recorded as revenue in the period for which levied. Thus, the 2002 property taxes which are being levied to finance the 2003 budget will be recognized as revenue in 2003. The 2002 tax levy is recorded as deferred revenue in the District's 2002 Financial Statements. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District or an intermediary collecting agency because they are generally not measurable or available until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Measurement Focus and Basis of Accounting (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

f) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget two times during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

g) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

h) Investments

The District had no investments at December 31, 2002.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

j) Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$400 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures and equipment	5 - 12 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Long-Term Debt

The accounting treatment of long-term debt depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of capital lease obligation.

Fund Financial Statements:

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principle and interest reported as expenditures.

l) Vacation and Sick Leave

The District has two full-time employees. There is no material accumulated unpaid vacation and sick leave at December 31, 2002.

m) Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fund Equity (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investment.

State law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Note 2 - DEPOSITS (Continued)

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name.

The year end balances of deposits are as follows:

	Bank Balances			
	Category			Book
	1	2	3	Balance
Cash	<u>\$ 74,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,770</u>

At December 31, 2002, cash was not in excess of the FDIC insurance.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2002 was \$9.79 per \$1,000 of assessed valuation on property within Recreation District No. 9 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1d), taxes levied November 1, 2002 are for budgeted expenditures in 2003 and will be recognized as revenues in 2003.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2002 consisted of the following:

State of Louisiana - State revenue sharing	\$ 10,502
Terrebonne Parish Tax Collector - December, 2002 collections remitted to the District in January, 2003:	
Ad valorem taxes	192,801
State revenue sharing	<u>5,251</u>
Total	<u>\$ 208,554</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002 was as follows:

	Balance January 1, 2002	Additions	Balance December 31, 2002
Capital assets not being depreciated:			
Land	\$ 71,500	\$ -	\$ 71,500
Capital assets being depreciated:			
Buildings and improvements	934,714	40,059	974,773
Machinery and equipment	225,650	58,386	284,036
Office furniture, fixtures and equipment	17,877	-	17,877
Total capital assets being depreciated	1,178,241	98,445	1,276,686
Less accumulated depreciation for:			
Buildings and improvements	(537,450)	(27,761)	(565,211)
Machinery and equipment	(108,289)	(19,762)	(128,051)
Office furniture, fixtures and equipment	(9,321)	(2,467)	(11,788)
Total accumulated depreciation	(655,060)	(49,990)	(705,050)
Total capital assets being depreciated, net	523,181	48,455	571,636
Total capital assets, net	\$ 594,681	\$ 48,455	\$ 643,136

Additions include \$36,000 for the donation of a boat launch to the District.

Note 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures at December 31, 2002 consisted of the following:

Governmental activities	
Vendors	\$ 444
Protest taxes	<u>23,462</u>
 Total	 <u><u>\$ 23,906</u></u>

Note 7 - CAPITAL LEASES

The government has entered into a lease agreement as lessee for financing the acquisition of tractor equipment. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital lease are as follows:

Machinery and equipment	\$16,564
Less: accumulated depreciation	<u>1,518</u>
 Total	 <u><u>\$15,046</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2002, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$8,485	\$404	\$ 8,889
2004	<u>736</u>	<u>5</u>	<u>741</u>
 Totals	 <u><u>\$9,221</u></u>	 <u><u>\$409</u></u>	 <u><u>\$9,630</u></u>

Note 8 - COMMITMENTS

The District is leasing, on a year-by-year basis, a four acre tract of land located near the District's premises for a nominal cost of \$10 per year. The lease is accounted for as an operating lease and rental expenditures totaled \$10 during the year ended December 31, 2002. On April 12, 2002, the District approved an assignment of an operating lease from Terrebonne Parish Consolidated Government ending on October 26, 2002 with an option to extend the lease for one additional year term at a rental of \$100 per year for parking lot adjacent to boat launch. The previous lessee paid the \$100 rental fee for the year ended December 31, 2002.

Note 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation and group insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the District for which it has insurance coverage under the Parish. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General Liability	\$6,500,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's general liability internal service fund, \$2,999,892 at December 31, 2001, then secondly by the District. The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2001 was \$8,622,026. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health

Note 9 - RISK MANAGEMENT (Continued)

internal service fund, \$291,053 at December 31, 2001, then secondly by the District or the employee for individual claims in excess of \$1,000,000. At December 31, 2002 the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2002 totaled \$9,126.

Note 10 - COMPENSATION OF BOARD MEMBERS

The District did not pay any compensation to its Board Members for the year ended December 31, 2002.

SUPPLEMENTARY INFORMATION SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, Louisiana.

Our report on our audit of the basic financial statements of Terrebonne Parish Recreation District No. 9 (the District) for the year ended December 31, 2002, appears on pages 1 and 2. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the schedule of governmental fund revenues and expenditures and graphs of governmental fund revenues and expenditures for the year ended December 31, 2002 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2002, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the governmental fund balance sheets of Terrebonne Parish Recreation District No. 9 as of December 31, 2001 and 2000, and the related statements of governmental fund revenues, expenditures and changes in fund balance for each of the two years in the period ended December 31, 2001 (none of which is presented herein), and we expressed unqualified opinions on those financial statements. In our opinion, the information presented in the schedule of governmental fund revenues and expenditures and graphs of governmental fund revenues and expenditures for the years ended December 31, 2001 and 2000 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 10, 2003.

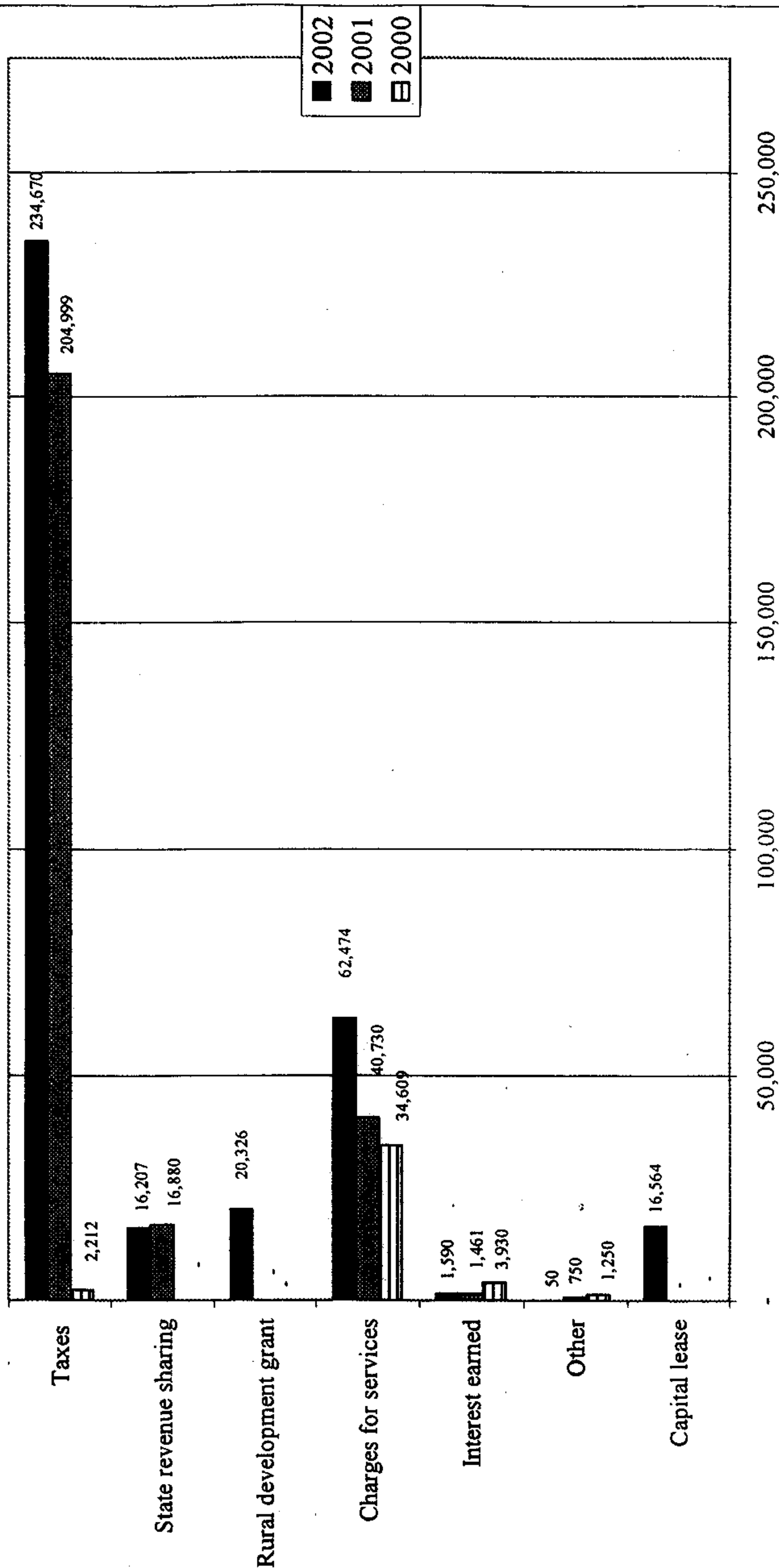
SCHEDULE OF GOVERNMENTAL FUND REVENUES AND EXPENDITURES**Terrebonne Parish Recreation District No. 9**

For the years ended December 31, 2002, 2001 and 2000

	<u>2002</u>	<u>2001</u>	<u>2000</u>
REVENUES			
Taxes	\$ 234,670	\$ 204,999	\$ 2,212
State revenue sharing	16,207	16,880	-
Rural development grant	20,326	-	-
Charges for services	62,474	40,730	34,609
Interest earned	1,590	1,461	3,930
Other	50	750	1,250
Capital lease	<u>16,564</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 351,881</u>	<u>\$ 264,820</u>	<u>\$ 42,001</u>
EXPENDITURES			
General government	\$ 11,770	\$ 30,631	\$ 1,379
Personal services	101,030	82,446	80,027
Supplies and materials	20,790	16,278	16,359
Other services and charges	81,589	75,185	60,571
Repairs and maintenance	54,901	40,998	40,604
Debt service	8,858	1,538	1,818
Capital outlay	<u>62,445</u>	<u>61,754</u>	<u>18,539</u>
Total expenditures	<u>\$ 341,383</u>	<u>\$ 308,830</u>	<u>\$ 219,297</u>

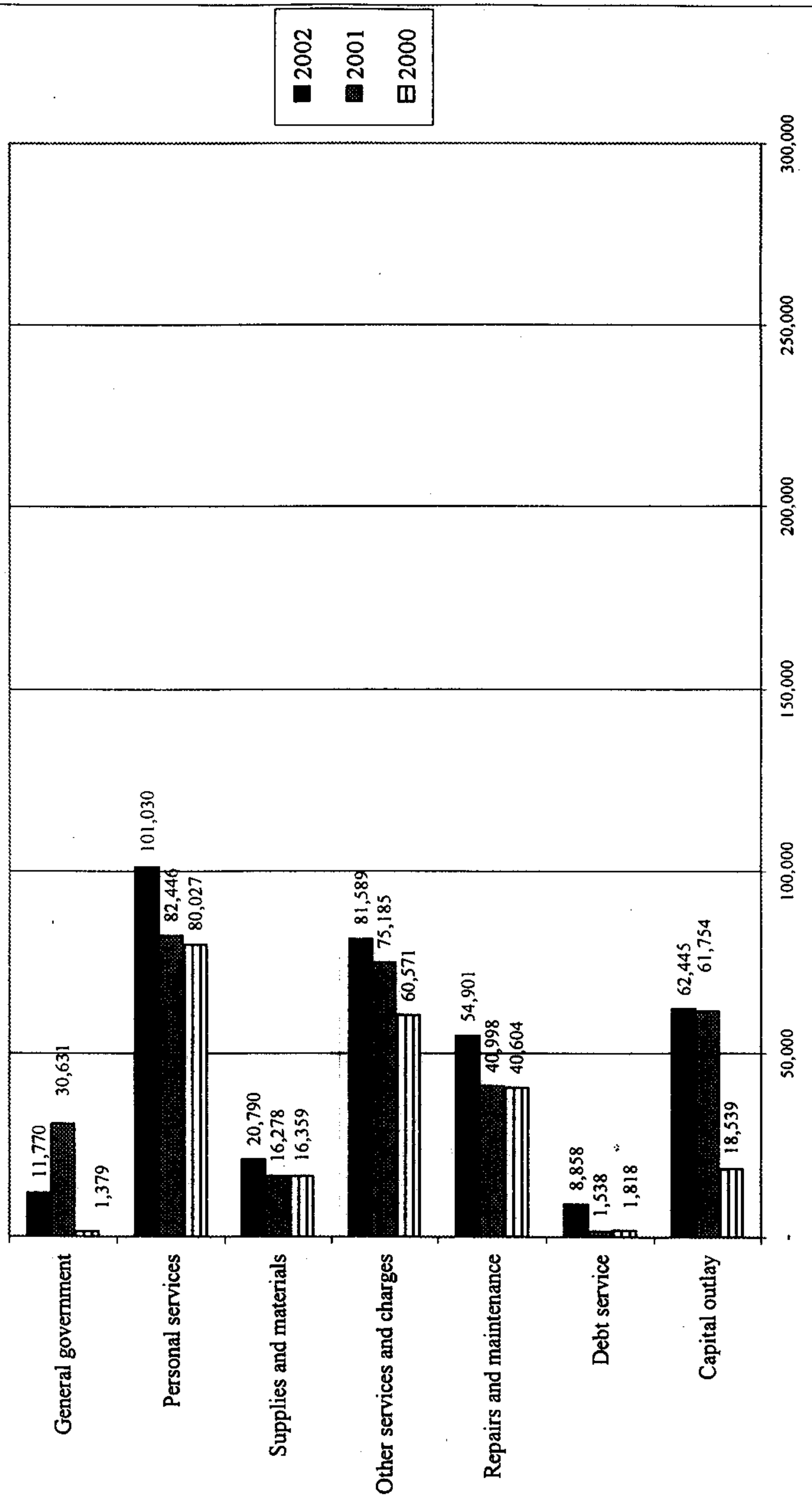
GOVERNMENTAL FUND REVENUES**Terrebonne Parish Recreation District No. 9**

For the years ended December 31, 2002, 2001 and 2000



GOVERNMENTAL FUND EXPENDITURES**Terrebonne Parish Recreation District No. 9**

For the years ended December 31, 2002, 2001 and 2000



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, Louisiana.

We have audited the basic financial statements of Terrebonne Parish Recreation District No. 9 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2002, and have issued our report thereon dated April 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than theses specified parties.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
April 10, 2003.

SCHEDULE OF FINDINGS

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 2002

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not
considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

b) Federal Awards

Terrebonne Parish Recreation District No. 9 did not receive federal awards during the year ended December 31, 2002.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2002.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Terrebonne Parish Recreation District No. 9

For the year ended December 31, 2002

Section I Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2001.
No reportable conditions were reported during the audit for the year ended December 31, 2001.

Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2001.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 9 did not receive federal awards during the year ended December 31, 2001.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2001.